

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7461

BILL NUMBER: SB 370

NOTE PREPARED: Jan 7, 2009

BILL AMENDED:

SUBJECT: PERF/TRF administrative matters.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☐ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: Pending

Summary of Legislation: Allows a vested member of the teachers' retirement fund (TRF) who terminates covered employment to elect to withdraw the entire amount in the member's annuity savings account (ASA) before the member is eligible to do so at retirement and receive a pension at retirement. Requires TRF and the public employees' retirement fund (PERF) to adopt a policy to require direct deposit or another approved method as the preferred way for a member or beneficiary to receive benefits, including an alternative payment method for a member or beneficiary who provides satisfactory evidence to the PERF or TRF board that the member or beneficiary is unable to receive monthly benefits by direct deposit or another approved method. Requires that payment of an estimated retirement benefit be at least 85% of the actual benefit. (Currently, the payment must be 85% of the actual benefit.) Requires that a PERF member who elects not to purchase an annuity or receive the balance in the member's ASA before retirement must receive the entire amount in the member's ASA at retirement. (Currently, a member can defer receipt of the ASA.) Allows annual payment of a monthly benefit that does not exceed \$5. Provides that a PERF member who is reemployed in a covered position after retirement continues to receive retirement benefits while reemployed. Provides that a supplemental benefit based on the member's reemployment is eliminated. Denies a member's application for retirement benefits if, on or before the date the member files the application, the member has an agreement with a covered employer to become reemployed in a covered position. Eliminates the treasurer of state as the treasurer of PERF and reassigns the treasurer's duties to the PERF board and executive director. Provides that liability for a PERF member's unfunded service credit is charged against the employer's account. Specifies the date a TRF member returns to active teaching service or teacher education for purpose of earning military service credit. Makes conforming and technical corrections. Repeals provisions concerning a supplemental retirement benefit and the treasurer of state's role as PERF treasurer.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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